Private Investment Corporation (OPIC) gurantees for US Foreign Direct Investment ventures in India. EXIM Bank loans already aproved will not be affected. The precise nature of the sanctions and suspensions is not clear.

Financial crisis Facing Assam

2967. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the' State of Assam is facing a precarious financial condition and even paper and other stationery items are not available in Government offices and the Chief Minister of the state is acknowledging it is public;

(b) if so, the reasons for it; and

(c) whether the Central Government propose to take any measures to bail out the State Government from financial crists?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) No, Sir. The financial management of a particular State is primarily the responsibility of the state Government.

(c) As an when necessary, Central Government have been helping the State of Assam by giving ways and means advances and making advance releases of State's entitlements on account of Central devolution of plan and non-plan funds.

Excess excise duty collected on Petrol

2968. SHRI K. RAHMAN KHAN: Will the Minister of FINANCE be pleased to state:

(a) the amount collected by Government as excise duty on Petrol between the midnight of 1st June, 1998 to 3rd June, 1998 because of the communication gap as claimed by the Ministry of Finance;

(b) whether the tax collected is legal as such a tax was not contemplated and the approval of Parliament is not there for such a tax; and

(c) whether the Government will consider to come before the Parliament to seek its approval; if not, under what provision of the Consitution such levy is justified?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARTHANAM): (a) and (b) Basic excise duty was collected at the rate of 35% ad valorem on petrol between the midnight of 1st and 2nd June, 1998 to the midnight of 2nd and 3rd June, 1998 as per the provisions contained in clause 115 read with the Fourth Schedule of the Finance (No. 2) Bill, 1998 presented in the Lok Sabha on 1st June, 1998. Also an additional excise duty of Re. 1.00 per litre was collected on petrol as per the provisions contained in clause 114 read with the Second Schedule of the Finance (No. 2) Bill, 1998. The hike in excise duty became effective from the midnight of 1st, 2nd June, 1998 by virtue of the declaration under the Provisional Collection of Taxes Act, 1931. Therefore, the amount of excise duty was collected as per the law. There was no communication gap so far as levy of duty is concerned.

(c) does not arise, in view of (a) and (b) above.

Fiscal Crisis in Orissa

2969. SHRI SANATAN BISI: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Orissa is presently heading for a fiscal crisis as reported in "Samaj" dated 10th May, 1998; and

(b) the details of the loans which have been given to the State Government of Orissa for the last three years by the various Ministries/Departments of the central Government?